

**ASSEMBLY BILL**

**No. 2012**

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**Introduced by Assembly Member John A. Pérez**

February 23, 2012

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An act to amend Sections 13996.45, 13996.55, 13996.6, 13996.65, 13996.7, and 13996.75 of the Government Code, and to amend Section 71040 of the Public Resources Code, relating to economic development.

LEGISLATIVE COUNSEL'S DIGEST

AB 2012, as introduced, John A. Pérez. Economic development.

(1) Existing law, the California Trade and Investment Act, designates the Business, Transportation and Housing Agency as the state agency primarily responsible for international trade and investment activities in the state, subject to specified conditions. The act authorizes the Secretary of Business, Transportation and Housing to, in that capacity, carry out various powers and duties related to encouraging international trade and investment in the state, including, among others, developing an international trade and investment policy and strategy for the state, and convening or joining a statewide business partnership for international trade and investment. The act also imposes various related restrictions on the secretary's authority.

This bill would instead require that the Governor's Office of Business and Economic Development serve as the state agency primarily responsible for international trade and investment activities in the state, and, in that capacity, authorize that agency to carry out the powers and duties described above.

(2) Existing law requires a business or entity to obtain various environmental permits prior to undertaking any project that may have an impact on the environment. Existing law also requires the Secretary

for Environmental Protection to establish an electronic online permit assistance center for the purpose of assisting a business or other entity with complying with certain laws and regulations.

This bill would instead require the Governor's Office of Business and Economic Development to establish and maintain the electronic online permit assistance center described above.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 13996.45 of the Government Code is  
2 amended to read:

3 13996.45. (a) (1) Subject to paragraph (2), and subject to  
4 Section 13996.75, the ~~Business, Transportation and Housing~~  
5 ~~Agency~~ *Governor's Office of Business and Economic Development*  
6 shall be the primary state agency authorized to do all of the  
7 following:

8 (A) Attract employment-producing foreign investment to the  
9 state.

10 (B) Cooperate in international public infrastructure projects.

11 (C) Provide support for California business in accessing  
12 international markets, including, but not limited to, export  
13 assistance.

14 (D) Engage in other trade or foreign investment related activities  
15 specifically assigned by the Governor.

16 (2) Nothing in this chapter shall be construed to confer powers  
17 or impose duties upon the agency in conflict with any powers  
18 conferred or duties imposed upon the Department of Food and  
19 Agriculture with respect to the promotion of California agriculture,  
20 fish, and forest exports.

21 (b) The international trade and investment activities of the  
22 agency shall be monitored by the Legislature, and all public  
23 moneys in its budget expended for those purposes, shall be subject  
24 to approval by the Legislature.

25 (c) The ~~Secretary of Business, Transportation and Housing~~  
26 *Director of the Governor's Office of Business and Economic*  
27 *Development* shall develop an international trade and investment  
28 policy and shall provide guidance to strategies and plans from

1 other agencies and departments related to workforce and  
2 infrastructure development.

3 (d) California's international trade and investment policy shall  
4 be directed through its state strategy, which shall be based on  
5 current and emerging market conditions and the needs of investors,  
6 businesses, and workers to be competitive in global markets.

7 SEC. 2. Section 13996.55 of the Government Code is amended  
8 to read:

9 13996.55. (a) ~~The Secretary of Business, Transportation and~~  
10 ~~Housing~~ *Director of the Governor's Office of Business and*  
11 *Economic Development* shall provide to the Legislature, not later  
12 than February 1, 2008, a strategy for international trade and  
13 investment that, at a minimum, includes all of the following:

14 (1) Policy goals, objectives, and recommendations necessary  
15 to implement a comprehensive international trade and investment  
16 program for the State of California. This information shall be  
17 provided in a fashion that clearly indicates priority within the  
18 overall strategy.

19 (2) Measurable outcomes and timelines for the goals, objectives,  
20 and actions for the international trade and investment program.

21 (3) Identification of impediments for achieving goals and  
22 objectives.

23 (4) Identification of key stakeholder partnerships that will be  
24 used in implementing the strategy.

25 (5) Identification of options for funding recommended actions.

26 (6) Identification of an international trade and investment  
27 organizational structure for the state administration of international  
28 trade and investment policies, programs, and services.

29 (b) In the course of developing the strategy, ~~the secretary~~  
30 *director* shall also consult with other agencies, boards, and  
31 commissions that have statutory responsibilities related to  
32 workforce development, infrastructure, business, and international  
33 trade and investment including, but not limited to, the California  
34 Commission on Industrial Innovation, the Office of the Small  
35 Business Advocate, the California Transportation Commission,  
36 the California Community Colleges, the University of California,  
37 the California State University, the Workforce Investment Board,  
38 the Employment Training Panel, and the California Energy  
39 Commission.

(c) The strategy shall be submitted to the Chief Clerk of the Assembly and the Secretary of the Senate. A copy of the strategy shall be provided to the Speaker of the Assembly, the President pro Tempore of the Senate, and the chairs of the Assembly Committee on Jobs, Economic Development, and the Economy and the Senate Committee on Business, Professions and Economic Development, or the successor committees with jurisdiction over international trade and economic development programs.

(d) (1) The strategy shall be reviewed in at least one public hearing by the relevant policy and fiscal committees of each house of the Legislature. The hearings shall be held within 60 days of the strategy being submitted to the Legislature. If the strategy is submitted when the Legislature is in recess, the hearings shall occur within 60 days of the members convening.

(2) The legislative committees may make recommendations to the ~~secretary~~ *director* on the strategy, and the ~~secretary~~ *director* may modify the strategy accordingly.

(e) The ~~secretary~~ *director* shall report to the fiscal committees of the Legislature on or before February 1, 2009, and by that date each year thereafter, on how the Governor's proposed budget relates to the strategy.

(f) The strategy shall be updated pursuant to the procedures of this section at least once every five years.

SEC. 3. Section 13996.6 of the Government Code is amended to read:

13996.6. (a) The ~~Secretary of Business, Transportation and Housing~~ *Director of the Governor's Office of Business and Economic Development* shall convene a statewide business partnership for international trade and investment no later than March 1, 2007.

(b) The business partnership shall include representatives from small, medium, and large businesses and industries, as well as nongovernmental organizations and government representatives.

(c) The business partnership shall advise the ~~secretary~~ *director* on business needs and strategy priorities as they relate to international trade and investment.

SEC. 4. Section 13996.65 of the Government Code is amended to read:

13996.65. (a) (1) The ~~Secretary of Business, Transportation and Housing~~ *Director of the Governor's Office of Business and*

1 *Economic Development* is prohibited from establishing any  
2 international trade and investment office unless the following  
3 conditions are met:

4 (A) The ~~secretary~~ *director* determines that, based on a review  
5 of the international trade and investment policies and the  
6 recommendations and priorities established in the international  
7 trade and investment strategy developed pursuant to Section  
8 13996.55, it is appropriate to consider establishing international  
9 trade and investment offices.

10 (B) The ~~secretary~~ *director* prepares a separate international trade  
11 and investment office strategy, that meets the requirements and  
12 conditions of this section.

13 (C) The international trade and investment office strategy  
14 receives statutory authorization pursuant to the requirements and  
15 conditions of this section.

16 (D) The ~~secretary~~ *director* submits a business plan to the  
17 Legislature, that meets the requirements of Section 13996.7.

18 (2) This chapter does not apply to any international trade and  
19 investment office established pursuant to Section 13997.1.

20 (b) If the ~~secretary~~ *director* determines that opening international  
21 trade and investment offices is in the best interest of the state, the  
22 ~~secretary~~ *director* shall develop a strategy for selecting, opening,  
23 and managing international trade and investment offices.

24 (c) The international trade and investment office strategy shall  
25 conform to at least all of the following requirements:

26 (1) It shall be based on the needs and priorities of California's  
27 businesses.

28 (2) It shall be consistent with the resources and priorities of the  
29 overall trade and investment strategy submitted to the Legislature  
30 pursuant to Section 13996.55.

31 (3) It shall define the program's goals, objectives, and timelines  
32 for achieving quantifiable targets. Individual offices may have  
33 separate missions or play different roles within the overall  
34 international trade and investment office strategy. To the extent  
35 that the proposed offices are expected to assist businesses in  
36 opening new markets, these activities shall be targeted primarily  
37 to small- and medium-sized businesses.

38 (4) It shall outline the ~~Business, Transportation and Housing~~  
39 ~~Agency's~~ *Governor's Office of Business and Economic*

1 *Development's* management and oversight responsibilities, funding  
2 levels, and activities.

3 (5) It shall outline how international trade and investment office  
4 locations will be selected by the ~~secretary~~ *director* and approved  
5 by the Governor, including the general geographic locations,  
6 number of offices, a process for determining how long an office  
7 should remain operational, and duties undertaken by the offices.

8 (6) It shall define how the offices will be funded, including  
9 funding for oversight and monitoring.

10 (7) It shall consider how offices will be staffed, including  
11 staffing levels and types of positions needed to operate the offices  
12 proposed in the international trade and investment office strategy.

13 (8) It shall provide a conflict-of-interest policy and gift policy.

14 (9) It shall provide for the appointment of a senior level  
15 international trade and investment office manager as described in  
16 subdivision (c) of Section 99106.

17 (d) The international trade and investment office strategy shall  
18 be submitted to the Chief Clerk of the Assembly and the Secretary  
19 of the Senate. A copy of the strategy shall be provided to the  
20 Speaker of the Assembly, the President pro Tempore of the Senate,  
21 and the chairs of the Assembly Committee on Jobs, Economic  
22 Development, and the Economy and the Senate Committee on  
23 Business, Professions and Economic Development, or the successor  
24 committees with jurisdiction over international trade and economic  
25 development programs.

26 (e) (1) The international trade and investment office strategy  
27 shall be reviewed in at least one public hearing by the relevant  
28 policy and fiscal committees of each house of the Legislature. The  
29 hearings shall be held within 60 days of the strategy being  
30 submitted to the Legislature. If the strategy is submitted when the  
31 Legislature is in recess, the hearings shall occur within 60 days of  
32 the members convening.

33 (2) The legislative committees may make recommendations to  
34 the ~~secretary~~ *director* on the strategy, and the ~~secretary~~ *director*  
35 may modify the strategy accordingly.

36 (f) The international trade and investment office strategy shall  
37 be updated no less than every five years from the date that the first  
38 strategy is submitted to the Chief Clerk of the Assembly and the  
39 Secretary of the Senate.

1 (g) The international trade and investment office strategy shall  
2 be implemented only upon statutory authorization by the  
3 Legislature.

4 SEC. 5. Section 13996.7 of the Government Code is amended  
5 to read:

6 13996.7. (a) Except as specified in Section 13997.1,  
7 international trade and investment offices are prohibited from being  
8 established except under the conditions specified in the  
9 international trade and investment office strategy described in  
10 Section 13996.65. Except as specified in Section 13997.1, no office  
11 may be established except as provided in this chapter.

12 (b) In establishing offices pursuant to this section, the ~~secretary~~  
13 *Director of the Governor's Office of Business and Economic*  
14 *Development* shall submit to the Legislature a business plan for  
15 each proposed office, which shall include, but not be limited to,  
16 all of the following:

17 (1) The mission of the office, goals, objectives, and timelines  
18 for achieving quantifiable targets.

19 (2) The level of staffing and staff expertise requirements needed  
20 to successfully operate the office.

21 (3) The proposed terms for the operation of the offices, including  
22 the duration and oversight needed for office operations.

23 (4) How the opening of the office relates to the international  
24 trade and investment office strategy and the overall international  
25 trade and investment strategy.

26 (c) (1) The international trade and investment offices shall be  
27 under the direction of a manager of international trade and  
28 investment offices within the ~~agency~~ *Governor's Office of Business*  
29 *and Economic Development*, to be designated by the ~~secretary~~  
30 *director*. The manager shall be an individual with experience in  
31 management and oversight of public agencies or experience in  
32 international trade, investments, or global business.

33 (2) No international trade and investment office shall be opened  
34 until the position of the manager of international trade and  
35 investment offices is filled within the ~~agency~~ *Governor's Office*  
36 *of Business and Economic Development*.

37 (3) The position of the manager of the international trade and  
38 investment offices shall be a state employee position funded and  
39 staffed in a manner consistent with the international trade and  
40 investment office strategy.

(d) (1) Each office established pursuant to this chapter shall submit a report to the ~~agency~~ *Governor's Office of Business and Economic Development* by December 1 of each year on meeting its goals, objectives, and timelines as outlined in its business plan.

(2) The ~~secretary~~ *director* shall provide a summary of the reports to the relevant policy committees of each house of the Legislature, as set forth in paragraph (2) of subdivision (f), by the following February 1 of each year.

(e) The ~~agency~~ *Governor's Office of Business and Economic Development* shall conduct an annual performance review of each office for the first three years of the office's operation. After this term, upon the determination of the ~~secretary~~ *director*, the performance reviews may be undertaken at a longer interval, but not to exceed five years. If the ~~secretary~~ *director* determines that an extended interval is appropriate for a particular office, this shall be clearly indicated in the ~~secretary's annual~~ *director's* report to the Legislature on the activities of the offices.

(f) (1) The ~~secretary~~ *director* shall contract for an independent study of the operations and effectiveness of the international trade and investment offices established pursuant to this section at the conclusion of the first two years of operation and at four year intervals after the initial study.

(2) The report on the results of the study shall be submitted to the Chief Clerk of the Assembly and the Secretary of the Senate no later than two years after the opening of the first office pursuant to this chapter. A copy of the report shall be provided to the Speaker of the Assembly, the President pro Tempore of the Senate, and the chairs of the Assembly Committee on Jobs, Economic Development, and the Economy and the Senate Committee on Business, Professions and Economic Development, or the successor committees with jurisdiction over international trade and economic development programs.

(g) International trade and investment offices shall be funded only according to the international trade and investment office strategy authorized pursuant to subdivision (g) of Section 13996.65, except as provided for in Section 13997.1. All nonstate sources of funding shall be identified on the ~~agency~~ *Governor's Office of Business and Economic Development's* Internet Web site by name and the amount contributed. The ~~agency~~ *Governor's Office of Business and Economic Development* shall be responsible for all



1 state administrative and oversight costs. The ~~agency~~ *Governor's*  
2 *Office of Business and Economic Development* shall also be  
3 responsible for some portion of the costs of each office, not to  
4 exceed one hundred thousand dollars (\$100,000) per office.

5 (h) Consistent with the international trade and investment office  
6 strategy, the ~~secretary~~ *director* shall make a determination by  
7 September 1 of each year that sufficient funds have been  
8 appropriated in the annual Budget Act to meet its oversight and  
9 management responsibilities related to the proper operation of the  
10 offices. If, in the opinion of the ~~secretary~~ *director*, insufficient  
11 funding has been provided, the ~~secretary~~ *director* shall notify the  
12 Joint Legislative Budget Committee and submit a budget change  
13 proposal to request sufficient funding.

14 SEC. 6. Section 13996.75 of the Government Code is amended  
15 to read:

16 13996.75. The Controller shall not allocate any state funds to  
17 the ~~Business, Transportation and Housing Agency~~ *Governor's*  
18 *Office of Business and Economic Development* for international  
19 trade and investment activities if any of the following conditions  
20 occur:

21 (a) The strategy for international trade and investment has not  
22 been submitted to the Legislature pursuant to subdivision (a) of  
23 Section 13996.55 by May 1, 2008, or the strategy update required  
24 by subdivision (f) of that section has not been completed within  
25 six years of the completion of the original strategy or the most  
26 recent update, as applicable.

27 (b) The report to the fiscal committees of the Legislature  
28 required by subdivision (e) of Section 13996.55 has not been  
29 submitted by May 1 of the year in which it is due.

30 (c) The summary required by paragraph (2) of subdivision (d)  
31 of Section 13996.7 has not been submitted to the Legislature by  
32 May 1 of the year in which it is due.

33 (d) The determination required by subdivision (h) of Section  
34 13996.7 has not been made by December 1 of the year in which  
35 it is due.

36 SEC. 7. Section 71040 of the Public Resources Code is  
37 amended to read:

38 71040. The ~~Secretary for Environmental Protection~~ *Governor's*  
39 *Office of Business and Economic Development* shall establish an  
40 electronic online permit assistance center through the Internet. The

1 electronic online permit assistance center shall be available for  
2 use by any business or other entity subject to a law or regulation  
3 implemented by a board, department, or office within the California  
4 Environmental Protection Agency, and shall provide a business  
5 or other entity with assistance in complying with those laws and  
6 regulations. The center, which shall be called the “California  
7 Government-On Line to Desktops” or “CALGOLD” program,  
8 shall provide special software, “hotlinks” and other online  
9 resources and tools that may be used by a business or other entity  
10 to streamline and expedite compliance with laws and regulations  
11 implemented by a board, department, or office within the California  
12 Environmental Protection Agency. The CALGOLD program shall,  
13 to the extent feasible, incorporate permit assistance activities of  
14 local and federal entities and of other entities of the state into its  
15 operations.

O